

MINUTES

Edmonds Public Facilities District Board of Directors Meeting January 23, 2020

The Edmonds Public Facilities District Board meeting convened at 7:32 a.m. in the Edmonds Center for the Arts Green Room, 410 4th Avenue North, Edmonds.

EPFD Board Members Present

Kevin McKay, President
David Brewster, Vice President
Ray Liaw
Suzy Maloney

ECA Staff Present

Joseph Mclalwain, Executive Director
Matt Keller, Director of Operations

ECA Board Members Present

David Schaefer, Treasurer

EPFD Board Members Absent

Kimberlee Armstrong

1. Call to Order

Board President McKay called the meeting to order.

3. Land Acknowledgement

Board President McKay read the Land Acknowledgement statement.

2. Board President's Comments

Board President McKay advised this was his last EPFD Board meeting. He expressed his appreciation for the many people who have a strong interest in the organization and building a new vision as well as for the extremely effective leadership and staff.

Board President McKay requested EPFD board members complete Mr. Mclalwain's performance appraisal by Monday.

4. Consent Agenda

- **EPFD Board Meeting Minutes – 11-21-2019**
- **EPFD/ECA Board Retreat Minutes – 12-07-2019**
- **EPFD Disbursement Report – December 2019**

BOARD MEMBER MALONEY MOVED TO APPROVE THE CONSENT AGENDA. BOARD MEMBER LIAW SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

5. PFD Board Business

- **Approval - Resolution #2020-01 - Authorizing Use of Petty Cash Funds - \$1500**

Mr. Keller reviewed the resolution which will replace \$1,300 petty cash with \$1,500, primarily due to the need for additional funds for operations/change due to the additional cash position in the lobby established with the renovation.

BOARD VP BREWSTER MOVED TO APPROVE RESOLUTION #2020-01 - AUTHORIZING USE OF PETTY CASH FUNDS - \$1500. BOARD MEMBER MALONEY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

- **PFD 2019 Amendment to SnoCo Inter - Local Agreement – Update**

Mr. Keller explained the inter-local agreement previously signed by Board President McKay was incomplete; the Snohomish County PFD's attorney will provide an updated version for the Board President's signature. There are no material changes to the ILA so no additional approval is required.

- **Appointment of New PFD Board President**

BOARD MEMBER MALONEY MOVED TO APPOINT BOARD VP BREWSTER AS BOARD PRESIDENT. BOARD MEMBER LIAW SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

- **PFD Board Vice President Election**

Board President McKay relayed typically the Board Vice President is selected based on seniority; Board Member Armstrong is not interested in serving as Board Vice President and the next most senior board member is Board Member Liaw.

BOARD VP BREWSTER MOVED TO APPOINT BOARD MEMBER LIAW AS BOARD VICE PRESIDENT. BOARD MEMBER MALONEY SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

6. Finance, Facilities & Operations

- **December 2019 Draft Finance Reports**

Mr. Keller relayed the Admin/Finance Committee met yesterday to review the financials. He reviewed the reports, highlighting net revenue targets, expenses due to growth, facilities over budget due to a prior period adjustment, and a grant from Snohomish County that resulted in the purchase of non-capital equipment in 2019 without the corresponding offsetting revenue. He anticipated revenues will increase \$50,000 so the final net position will be positive. Staff will provide the final December 2019 Financial Report at the next meeting.

Board Member Maloney relayed the Admin/Finance Committee's recommendation that department heads have an opportunity to manage their budgets more closely and see the results monthly/bimonthly to increase visibility about revenue and expenses. Discussion followed regarding developing a capitalization policy, process for hiring a Marketing and Business Development Director, temporary salary savings due to the vacant position, and department-level ownership of the business. Mr. Keller will develop an annual calendar of bimonthly or quarterly meetings for department heads.

- **Director of Marketing and Business Development Recruitment: Update**

See above.

7. Executive Report / Steering Committee

- **ECA/PRD Joint Board Retreat: Debrief**

Mr. Mclalwain said this was intended as an opportunity for board members to comment on their experience, recommendations for the future, etc. ECA board members will also be invited to comment. A summary of evaluations will be provided to board members soon. Board VP Brewster suggested board members review the survey before providing comment. Mr. Mclalwain thanked the board for their leadership and participation in the retreat and the outcomes related to specific objectives.

As he and Board Member Liaw are moving into leadership positions on the board out of sequence with the fiscal year, Board VP Brewster recommended establishing a policy for interim positions when a board member leaves before their term is up. Board Member Liaw also suggested updating the charter and/or bylaws such as ability to phone in for meetings, etc.

Discussion followed regarding PFD board members and officers' terms and term limits, required approval by the City Council for any changes to the charter, requirements in State law, leadership path on the ECA Board, having an EPFD Board member on the Governance Committee, ability to change the bylaws without amending the charter, changes that require amending the bylaws versus amending the charter, ability to call a special meeting if more frequent EPFD Board meetings become necessary in the future, and developing a list of recommended changes and determining whether the changes would require amending the bylaws/charter.

- **Strategic Business Plan Implementation**
 - **Recent Committee Reports to ECA Board**
 - **Facilities & Operations Committee**
 - **Hosting Committee**

Mr. Mclalwain reported Snohomish County Councilmember Terry Ryan presented the \$125,000 for the technology upgrades, and \$500,000 (\$100,000/year from 2021 through 2025) at the ECA Board meeting. He thanked EPFD VP Brewster for attending at that presentation.

Discussion followed regarding how best to communicate with the City Council about the contribution as well as the ECA's final 2019 net positive position, potential changes to the way the City Council conducts their meetings, and the Steering and Board Governance considering advocacy with the City Council.

Mr. Mclalwain reported the Facilities & Operations and Hosting Committees made presentations at the ECA Board meeting. Presentations are well received by ECA Board members and the process has helped keep the committees organized, focused and transparent. Suggestions included shortening the presentations to 10-15 minutes, having a single lead (preferably not the chair) make the presentation, and providing materials in advance of the presentation.

ECA Board Member Schaefer relayed the Facilities & Operations Committee reported significant repairs may be needed due to water intrusion into the exterior envelope of the building as a result of inadequate flashing when the building was first renovated.

8. Marketing & Business Development

- **Interim Management – Marketing & Promotions**

Mr. Mclalwain assured staff and he are continuing the same marketing and promotional processes as well as making adjustments to find new opportunities. Board VP Brewster recalled staff mentioned a website redesign/refresh. Mr. Mclalwain offered to research.

- **Marketing Highlights**
- **Ticket Sales Report**

Mr. Mclalwain highlighted four shows whose ticket sales need attention; overall ticket sales for the season are strong, the best season ever from a ticket sales standpoint. He anticipated the season would end with a positive net result before sponsorship.

Board VP Brewster reviewed his analysis, highlighting the four shows whose ticket sales are lagging and net negative before sponsorship. His analysis identifies current and past shows that are 90% or higher, 75-90% or below 75% in achieving budgeted goals. He updates his analysis when the ticket sales report is updated and has historical data back to the first season to help guide future artist selection and marketing. He highlighted shows that required additional marketing investment, some of which are mission shows.

9. **Philanthropy**

- **FY 2019 Year-End Development Report (Draft)**

Mr. Mclalwain reviewed the report highlighting individual revenue streams, investments from emeritus board members, individual non-major gifts, matching gifts, operating support, foundation grants, support from the City (contribution and lodging tax), auction revenue (proceeds up, sponsorships down), opportunity for additional fundraising events, and promotion of the seat campaign.

Discussion followed regarding opportunity to renew the seat campaign as part of the soundboard project, moving patron's seats as a result of the project, three new ADA and companion seats, ways to increase individual non-major gifts, and challenges with the data management system in getting the right message out at the right time.

- **FY 2020 One-on-One Meetings: Board Members with Development Team**

Mr. Mclalwain relayed board members can be expected to be contacted soon about their ability/interest in supporting the organization.

- **Comprehensive 2020 Fundraising Plan – Due February**

Mr. Mclalwain reported a deadline of mid-February has been established for the development team to provide a comprehensive fundraising plan for 2020 which includes how to expand the donor base. First Financial has offered their services to the ECA at no charge to assist with check-in, banking, etc. for the Gala.

- **Key Dates: Center Stage – May 6, Gala – Sept. 25**

Mr. Mclalwain relayed Ms. Jones is beginning to secure shows for the 2020/21 season. The 2020 Gala will be on Friday again; September 25 is earlier in the year but the same timeframe as in previous years. The earlier date allows the Gala to be completed before the season starts and opens a date in October for a presentation. John Curley is not available on September 25; the committee is considering potential auctioneers.

10. **Inclusion & Accessibility**

- **Education Outreach: Teacher Workshop Report**

This item was postponed to the next meeting.

11. New Business

Board VP Brewster reminded of KidStock! on Saturday, February 1st. Mr. Mclalwain invited board members to volunteer for KidStock!.

Mr. Mclalwain commented one of the outcomes of having so many events is it is beginning to take a toll on the volunteer force. That is something the EPFD Board and leadership team needs to be aware of because if one day the organization is unable to recruit and maintain as a strong volunteer force, paid staff may be required. Board suggestions for potential volunteers included Edmonds Community College employees and youth. Discussion followed regarding requiring rental clients to provide their own volunteers, ability for experienced volunteers to provide a consistent experience, adding a fee for rentals clients if additional staff is required, and the importance of volunteers.

12. Old Business

- **Prior Action Items Review**

Mr. Mclalwain thanked Board President McKay for joining the board and for everything he has done including being a great friend and leader. Board members echoed his comments.

Mr. Keller reviewed prior action items; the following were added to this meeting's action items:

- Share with board members the spreadsheet created in the past about support that peer organizations receive
- Draft thank you to Snohomish County LTAC

13. Adjourn

The meeting was adjourned at 8:55 a.m.

Next EPFD Board Meeting: Thursday, February 27, 2020 - 7:30 AM

ACTION ITEMS:

1. Provide final December 2019 Finance Report at the February meeting
2. Develop annual calendar of meetings (bimonthly or quarterly) for department heads to review revenues/expenses
3. Provide board members summary of retreat facilitator evaluations
4. Establish a policy for interim positions when a board member leaves before their term expires
5. Consider updating bylaws to include the ability to phone into meetings, etc.
6. Develop a list of changes and determine which would require changes to bylaws/charter
7. Check on plans for website redesign/refresh
8. Add Education Outreach: Teacher Workshop Report to February agenda
9. Explore Edmonds Community College employees as well as youth as volunteers
10. Share with board members the spreadsheet created in the past about support that peer organizations receive
11. Draft thank you to Snohomish County LTAC